

**TESTIMONY OF JONI STRIGHT**

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In the United States Federal District Court for the District of Idaho  
*Saint Alphonsus Medical Center-Nampa, Inc., et. al. v. St. Luke's Health System Ltd., et. al.*  
Case No. 1:12-cv-00560-BLW

**Page Range: 9:3-9:8**

9: 3 Q. Ms. Stright, could you state your full  
9: 4 name for the record, please.  
9: 5 A. Joni Summers Stright.  
9: 6 Q. And what is your occupation?  
9: 7 A. I am the administrator for the Treasure  
9: 8 Valley region of the St. Luke's clinics.

**Page Range: 18:16-18:24**

18:16 Q. Is there any difference in the  
18:17 operational structure as between physicians who  
18:18 have employment agreements and physicians who are  
18:19 under PSAs?  
18:20 A. No.  
18:21 Q. Okay. Is there any difference in  
18:22 day-to-day operations as between those two  
18:23 groups?  
18:24 A. No.

**Page Range: 77:9-80:15**

77: 9 Q. BY MR. ETTINGER: You've been handed  
77:10 Exhibit 307, Ms. Stright, and that's a report by  
77:11 ECG Management Consultants, June of 2012,  
77:12 confidential discussion draft with regard to fair  
77:13 market value with compensation to Jill Beck, M.D.,  
77:14 and Jacob Robison, M.D.  
77:15 Did I identify the document correctly?  
77:16 A. Yes.  
77:17 Q. And so who is "ECG"?  
77:18 A. ECG is a management consulting firm  
77:19 with offices you can see as indicated on their  
77:20 letterhead, and this particular one came out of  
77:21 their Seattle office.  
77:22 Q. Okay. And did you -- have you used  
77:23 them for -- for a number of projects?  
77:24 A. Yes. They do a -- a pretty extensive  
77:25 survey every year of pediatric subspecialty

78: Page 78

78: 1 practices. And if you -- back to our discussion  
78: 2 about MGMA, if you look at MGMA benchmarks for,  
78: 3 like, pediatric neurosurgeons, or in this case  
78: 4 pediatric ENTs, the sample sizes are very small.  
78: 5 And so ECG goes out and actually  
78: 6 solicits people to participate. You pay to  
78: 7 participate in their surveys, and then they --  
78: 8 they obviously provide you the data. So we've  
78: 9 used them in a lot of our pediatric arena because  
78:10 of their little bit better data available.

78:11 Q. And are Dr. Beck and Dr. Robison  
78:12 pediatric subspecialists?

78:13 A. Yes. They are pediatric  
78:14 otolaryngologists.

78:15 Q. And were they -- I always say "ENT"  
78:16 because I could never pronounce the  
78:17 "laryngologist."

78:18 A. Yes, I know.

78:19 Q. So -- and were they hired by  
78:20 St. Luke's, those physicians?

78:21 A. Dr. Beck started working for St. Luke's  
78:22 on March 1 of '13, and Dr. Robison is finishing  
78:23 his fellowship and will start work in August or  
78:24 September of this year.

78:25 Q. Okay. So why don't you go to page 766,

79: Page 79

79: 1 the Bates number, which is page 10 of the letter  
79: 2 of this ECG letter.

79: 3 A. What -- what was that again? Excuse  
79: 4 me. Page --

79: 5 Q. Well, page -- it's 766 at the lower  
79: 6 right. It's page 10 of the letter.

79: 7 A. Oh.

79: 8 Q. And this is a letter to you, is it  
79: 9 not?

79:10 A. Correct.

79:11 Q. Okay, page 10, it says "Table 7" at the  
79:12 top there?

79:13 A. Yes.

79:14 Q. Well, that's not what I'm -- I'm not  
79:15 going to ask you about Table 7, but just to  
79:16 identify the page. I want to ask you about the  
79:17 paragraph right under Table 7.

79:18 It says there, "In the course of our  
79:19 discussions with St. Luke's, it was acknowledged  
79:20 that the payer market in Boise, Idaho, is much  
79:21 more favorable than in the United States as a

79:22 whole."

79:23 Do you see that statement?

79:24 A. I do.

79:25 Q. Is that accurate?

80: Page 80

80: 1 A. That's been our determination.

80: 2 Q. And who -- when you say "our

80: 3 determination," who's made that determination?

80: 4 A. Based on our work that we've done

80: 5 internally with analytics and then our support by

80: 6 hiring Health Care Futures.

80: 7 Q. Okay. And again, when you say "our

80: 8 work," you mean you personally plus certain other

80: 9 people? That's what I'm trying to find out.

80:10 A. St. Luke's work, yeah. Some of it I

80:11 was involved with, yeah.

80:12 Q. And who else was involved with it?

80:13 A. Our physician services team, just

80:14 looking at analytics around practices as we

80:15 brought them on board.

**Page Range: 117:8-117:16**

117: 8 Q. Typically, in these medical director

117: 9 arrangements, does the physician agree to perform

117:10 some set of duties, for some fixed period of time

117:11 at least, and gets paid an amount for that?

117:12 A. Yes.

117:13 Q. Are the medical directors always

117:14 St. Luke's Clinic physicians or are they sometimes

117:15 independent physicians?

117:16 A. Sometimes independent.

**Page Range: 117:17-117:25**

117:17 Q. Could you give me some examples of

117:18 independent physicians who have those arrangements

117:19 at St. Luke's?

117:20 A. The ones I work with are the employed

117:21 ones through the St. Luke's Clinic. But at our

117:22 Executive Leadership Team, there would be medical

117:23 directors over, like, the ED, and they are not

117:24 employed. Pathology, you know, some of the

117:25 hospital-based practices.

**Page Range: 118:2-119:7**

118:20 Q. And so, typically, do the medical  
118:21 directors play a significant role in terms of the  
118:22 quality initiatives that are going on at  
118:23 St. Luke's?  
118:24 A. They are and they will be. Again, this  
118:25 is an evolving process that we're in the middle  
119: Page 119  
119: 1 of, you know, really just leaping off on and is  
119: 2 development of those.  
119: 3 We've had some areas of the hospital  
119: 4 that have been, you know, really working for a  
119: 5 long time are much ahead of others. But specific  
119: 6 to certain areas, we're just, you know, working on  
119: 7 beginning those quality initiatives.

**Page Range: 121:23-125:10**

121:23 Q. BY MR. ETTINGER: Showing you what's  
121:24 been marked as Exhibit 314, an E-mail from you to  
121:25 John Kee, "Capital Budget-Practice Acquisitions."  
122: Page 122  
122: 1 Take a look at that and I'll ask you some  
122: 2 questions.  
122: 3 Are you ready?  
122: 4 A. Yes. Sorry.  
122: 5 Q. So what is this document?  
122: 6 A. So this appears -- it was a -- prepared  
122: 7 in July of last year, so we would have been  
122: 8 developing and finalizing our capital budget for  
122: 9 the year. And so part of that is look at any  
122:10 integration we have -- integration activities we  
122:11 have going relative to capital needs for  
122:12 acquisitions.  
122:13 Q. So these were deals that were at some  
122:14 point in process as of July of 2012; is that  
122:15 right?  
122:16 A. That would be correct.  
122:17 Q. So what happened with OB/GYN  
122:18 Associates?  
122:19 A. They were put on hold because of the  
122:20 legal issue here.  
122:21 Q. Of --  
122:22 A. So they are still independent.  
122:23 Q. Okay. By "the legal issue here," you  
122:24 mean the FTC investigation?

122:25 A. Exactly.

123: Page 123

123: 1 Q. And Pioneer Family Medicine, what  
123: 2 happened with that one?

123: 3 A. Same thing.

123: 4 Q. And Boise Podiatry, what happened with  
123: 5 that one?

123: 6 A. We actually are employing them as of  
123: 7 either May 1st or June 1st, but it wasn't an  
123: 8 acquisition. And there's been notification  
123: 9 provided for that.

123:10 Q. So the individual podiatrists are being  
123:11 employed but the practice was not acquired?

123:12 A. That's correct.

123:13 Q. So what about Shawn Nowierski?

123:14 A. Put on hold as well.

123:15 Q. Because of?

123:16 A. Due to this. Um-hum. Yeah, we've  
123:17 pretty much --

123:18 Q. And "by this," you mean the  
123:19 investigation and litigation, the antitrust  
123:20 issue?

123:21 A. Exactly. Yeah.

123:22 Q. Okay. What about Advanced Pain  
123:23 Management?

123:24 A. They were actually -- we provided  
123:25 notification. And they came on board, I think,

124: Page 124

124: 1 December 1st of last year to help us start a pain  
124: 2 program.

124: 3 Q. How many physicians is that?

124: 4 A. Two.

124: 5 Q. And what about Alexander Orthopaedics?

124: 6 A. That was -- that's two orthopods in  
124: 7 Wood River, and they came under a PSA effective  
124: 8 12/1 of last year.

124: 9 Q. What about Sunshine Pediatrics?

124:10 A. That's just gone away. We're not  
124:11 working on that anymore.

124:12 Q. Where is Advanced Pain Management?

124:13 A. Advanced Pain Management is here in the  
124:14 Treasure Valley.

124:15 Q. Okay. You said -- you started to say  
124:16 "pretty much," and then I think I accidentally cut  
124:17 you off. It sounded like you were going to say  
124:18 pretty much everything is on hold pending the  
124:19 litigation in terms of deals. Is that what you  
124:20 intended to say?

124:21 A. I don't recall that.  
124:22 Q. Is that true?  
124:23 A. This -- this is activity that was going  
124:24 on at the time when the lawsuit was filed. And  
124:25 so then we went through and said "yeah." Worked  
125: Page 125  
125: 1 with the FTC and said, okay, these are on hold and  
125: 2 provide notification if others need to go through.  
125: 3 So we basically have been on hold, yeah.  
125: 4 Q. Have any other deals been pursued since  
125: 5 that time?  
125: 6 A. No.  
125: 7 Q. Because of the litigation?  
125: 8 A. Um-hum.  
125: 9 Q. That's a yes?  
125:10 A. Yes. Sorry.

**Page Range: 147:6-148:6**

147: 6 Q. Did you ever think of moving all your  
147: 7 primary care clinics to Boise to the hospital  
147: 8 campus?  
147: 9 A. No.  
147:10 Q. Why not?  
147:11 A. I would not think of that because part  
147:12 of the concept is being out in the community where  
147:13 patients have access. And so not all patients  
147:14 want to drive down to downtown Boise.  
147:15 Q. Okay.  
147:16 A. Being out in the communities is part of  
147:17 our strategy.  
147:18 Q. Okay. And is that particularly  
147:19 important for primary care, where people may come  
147:20 routinely for a shot or a checkup or to take their  
147:21 kids in for a checkup?  
147:22 A. It's -- it's one of the components.  
147:23 Yeah, they tend to like accessibility, but they  
147:24 also drive to wherever their primary care -- you  
147:25 know, I -- we've seen where patients will follow  
148: Page 148  
148: 1 their physician to -- you know, if they move or  
148: 2 something.  
148: 3 Q. Yeah. If they already have a physician  
148: 4 they may be willing to follow that physician,  
148: 5 correct?  
148: 6 A. Um-hum. Yeah.

**Page Range: 165:10-165:19**

165:10 document. Let me show you what's been previously  
165:11 marked as Exhibit 159, an E-mail from Kathy Moore  
165:12 to you, attaching a document that I believe you  
165:13 wrote. You can look at that and I'll ask you a  
165:14 couple questions.  
165:15 MR. LITVACK: David, do you mind if we just  
165:16 read the Bates number onto the record so there's  
165:17 no confusion?  
165:18 MR. ETTINGER: Well, the Bates number here  
165:19 is 91783.

**Page Range: 165:22-166:12**

165:22 Q. BY MR. ETTINGER: Do you recall this  
165:23 event?  
165:24 A. I recall the document.  
165:25 Q. Do you recall sending the document to  
166: Page 166  
166: 1 Kathy Moore and her telling you, "See deleted  
166: 2 portion. We can talk to this, but I don't think  
166: 3 we want it in the document"?  
166: 4 A. I remember it now, seeing this, yeah.  
166: 5 Q. Yeah. Did you and she have any  
166: 6 discussion about this, aside from her E-mail?  
166: 7 A. I don't recall that we did.  
166: 8 Q. Did she explain why she said it was  
166: 9 fine to talk about it but it shouldn't be in  
166:10 writing?  
166:11 A. I don't recall a discussion with her  
166:12 about it.

**Page Range: 166:14-166:23**

166:14 Q. BY MR. ETTINGER: Did that seem odd to  
166:15 you?  
166:16 A. No. I was preparing a summary for  
166:17 executive-level review and they provide me  
166:18 feedback.  
166:19 Q. So why would her feedback be it is fine  
166:20 to do it orally, but not in writing? Why would  
166:21 that make sense to you?  
166:22 A. Because that was -- that was her  
166:23 preference.

**Page Range: 167:1-168:5**

167: 1 Q. BY MR. ETTINGER: Do you have any idea  
167: 2 as to why that might be her preference, based on  
167: 3 your dealings with her or your other experience at  
167: 4 St. Luke's?  
167: 5 A. No.  
167: 6 Q. Are there other things that you do  
167: 7 that you don't put in writing but express only  
167: 8 orally?  
167: 9 Let me put it this way. Are there  
167:10 things you avoid putting in writing that you want  
167:11 to convey orally?  
167:12 A. Not that I can think of.  
167:13 Q. Okay. Did you delete the language she  
167:14 asked you to delete?  
167:15 A. I don't recall exactly, but I would  
167:16 assume that this was one of the revisions that  
167:17 went through.  
167:18 Q. Okay. The -- the language that she's  
167:19 shaded in is, "Currently, the surgical volume is  
167:20 divided between St. Luke's and Saint Alphonsus  
167:21 hospitals. It is anticipated that surgical volume  
167:22 will migrate to St. Luke's over time as additional  
167:23 outpatient surgical capacity at St. Luke's becomes  
167:24 available."  
167:25 A. Um-hum.  
168: Page 168  
168: 1 Q. Have I read that correctly?  
168: 2 A. Yes, you did.  
168: 3 Q. And was that a truthful -- were those  
168: 4 truthful statements?  
168: 5 A. I believe it was.

**Page Range: 168:6-168:23**

168: 6 Q. Yeah. And so one relevant factor in  
168: 7 informing the board of the -- of the acquisition  
168: 8 of Boise Surgical Group was that this -- this  
168: 9 additional volume would occur, correct?  
168:10 A. The -- the -- prior to this even  
168:11 happening, Boise Surgical Group had relocated  
168:12 their clinic onto the Meridian campus for  
168:13 St. Luke's.  
168:14 Q. And but what you're doing here was



168:15 telling the board what was relevant to their  
168:16 decision is to whether to allow the purchase,  
168:17 correct?  
168:18 A. Well, this is a piece and part of what  
168:19 we do when we analyze the business aspects of --  
168:20 and the impact of any acquisition. And part of  
168:21 bringing Boise Surgical Group on, they were  
168:22 wanting to do more of their surgeries at  
168:23 St. Luke's --

**Page Range: 171:17-172:10**

171:17 Q. So was this information relevant to the  
171:18 purchase decision?  
171:19 A. It was a piece and part of it, but not  
171:20 the whole picture.  
171:21 Q. But it was relevant?  
171:22 A. It was a piece of it.  
171:23 Q. Were you trying to convey to the board  
171:24 that the migration of business would occur whether  
171:25 they approved the deal or not?  
172: Page 172  
172: 1 A. That -- that had actually started  
172: 2 before Boise Surgical Group became part of  
172: 3 St. Luke's because they had already moved their  
172: 4 clinic onto our --  
172: 5 Q. I asked you a question. Were you  
172: 6 trying to tell the board that this business  
172: 7 would migrate whether or not they approved the  
172: 8 deal?  
172: 9 A. I don't know the answer to that. I  
172:10 wasn't trying to tell them anything.

**Page Range: 172:16-173:15**

172:16 Q. BY MR. ETTINGER: Ms. Stright, have you  
172:17 ever avoided putting in writing information about  
172:18 referrals shifting as a result of a physician  
172:19 acquisition?  
172:20 A. No.  
172:21 Q. Have you ever told somebody something  
172:22 about referrals shifting -- anticipated being  
172:23 shifting as a result of a physician acquisition  
172:24 that you did not put in writing?  
172:25 A. Part of the role that I play is to  
173: Page 173

173: 1 develop the business strategy, the business  
173: 2 picture around any anticipated integration. And  
173: 3 as a result of that, we may look at are there  
173: 4 going to be additional surgeries. And we have  
173: 5 to -- you know, our role is to provide service to  
173: 6 the patients and service to the physicians.  
173: 7 So we need to be aware of anticipated  
173: 8 volume changes that could go either way.  
173: 9 Sometimes we anticipate volumes may go the other  
173:10 way because of payer contracts or changing  
173:11 referral patterns, so we look at that. But do  
173:12 we -- do we require that? Do we know that that's  
173:13 going to happen? It is part of the overall  
173:14 analysis. We don't know the answers to all of  
173:15 that.

**Page Range: 174:9-174:24**

174: 9 Q. You said that there are cases where you  
174:10 expect that surgeries, for example, will go up as  
174:11 a result of the acquisition of a physician  
174:12 practice at St. Luke's, correct?  
174:13 A. There is that potential.  
174:14 Q. And what cases have you conveyed that  
174:15 that was your expectation? Boise Surgical did you  
174:16 convey that?  
174:17 A. To who?  
174:18 Q. To anyone?  
174:19 A. Well, obviously, we talked about it  
174:20 because it was in this document.  
174:21 Q. So your interpretation of what's in  
174:22 this document is that surgeries would go up as a  
174:23 result of the acquisition?  
174:24 A. There was the possibility. Um-hum.

**Page Range: 175:11-177:12**

175:11 Q. BY MR. ETTINGER: Exhibit 323, which  
175:12 is -- you're probably tired of seeing these  
175:13 today -- but yet another Health Care Futures  
175:14 document.  
175:15 A. I agree.  
175:16 Q. Agree -- you agree that's what it is or  
175:17 that you're tired of --  
175:18 A. No, I agree that's what it is.  
175:19 Q. Okay. Why don't we turn to -- I

175:20 just have one question on one page, page 10 --  
175:21 actually, go back to the first page of the  
175:22 document. I'm sorry. Then we'll go back to  
175:23 page 10. This is entitled "Discussion with  
175:24 SLHS Project Leadership Team, June 3, 2009,"  
175:25 correct?

176: Page 176

176: 1 A. Yes.

176: 2 Q. And that was the group that we've seen  
176: 3 that you were a part of?

176: 4 A. Yes.

176: 5 Q. Okay. Now let's go to page 10.

176: 6 A. And you're on page 10?

176: 7 Q. Page 10 starts out at the top "SLHS  
176: 8 "Practice Profile-Definition of Group Value."

176: 9 Okay? Are you there?

176:10 A. Yes, I am. Sorry.

176:11 Q. So I'll -- take a look at it and tell  
176:12 me when you're -- I want to ask you about it when  
176:13 you're ready.

176:14 A. I need to refresh my mind here what  
176:15 they were doing.

176:16 Q. Okay.

176:17 A. Okay.

176:18 Q. Are you ready? I'm sorry.

176:19 A. Yes, I am.

176:20 Q. So would you agree that what page 10  
176:21 is conveying is that the value of a physician  
176:22 group is comprised of its professional practice  
176:23 activity plus the hospital outpatient and  
176:24 inpatient activity it generates plus the primary  
176:25 care referrals it generates?

177: Page 177

177: 1 A. This -- that's what this diagram  
177: 2 presents, yes.

177: 3 Q. And did anyone at St. Luke's disagree  
177: 4 with that conclusion when you met with Health Care  
177: 5 Futures?

177: 6 A. No. The recognition here is that  
177: 7 it's -- it's -- there's -- the business model of  
177: 8 health care is it's just not professional  
177: 9 practice, as physicians are the ones that, you  
177:10 know, order services that we provide to them at  
177:11 the hospital, so it is recognizing the hospital  
177:12 component of that as well, yeah.

**Page Range: 177:13-177:23**

177:13 Q. And in evaluating what you get from  
177:14 acquiring a physician group, all of these factors  
177:15 are relevant whether or not you are allowed to  
177:16 compensate them for all of these factors,  
177:17 correct?  
177:18 A. Their -- the context of this document,  
177:19 if I recall, was trying to look at how we were  
177:20 going to report on the activities of our quickly  
177:21 growing group, and this concept was discussed.  
177:22 This was never implemented relative to how we  
177:23 actually quantified these numbers.

**Page Range: 179:4-182:8**

179: 4 Q. BY MR. ETTINGER: So you've been handed  
179: 5 Exhibits 324 and 325. I suppose I can identify  
179: 6 the Bates numbers. Well, she didn't do it while  
179: 7 she typed, so I better identify the Bates numbers.  
179: 8 324 is 7644. 325 is 7583. And these are both  
179: 9 E-mail strings in the September 6 to 17 range, and  
179:10 some of -- some of which you're cc'd on. So why  
179:11 don't you take a look at them and then I'll ask  
179:12 you some questions.

179:13 A. Okay.

179:14 Q. Okay. So first of all, did I describe  
179:15 these correctly in terms of what these documents  
179:16 are?

179:17 A. Yes.

179:18 Q. Do you recall this issue?

179:19 A. Yes.

179:20 Q. So who is Douglas Croft?

179:21 A. He is an employee that works in our  
179:22 patient access department and is involved with a  
179:23 lot of the technical aspects of the IT systems and  
179:24 whatnot related to patient access.

179:25 Q. And referrals?

180: Page 180

180: 1 A. Which includes ordering, inpatient  
180: 2 access. So that is ordering inside of St. Luke's  
180: 3 and outside of St. Luke's, yeah.

180: 4 Q. Okay. And who is Pamela Williams?

180: 5 A. I'm not sure.

180: 6 Q. Okay. So this concerns an issue where  
180: 7 Dr. Rasmus thought he was getting a referral and  
180: 8 it didn't come through; is that right?

180: 9 A. The best I understand this, this is a  
180:10 little technical, but he -- someone placed an  
180:11 order for a sleep test to Dr. Rasmus, who was a  
180:12 Saltzer physician at the time, so not a St. Luke's  
180:13 physician. And when they attached it, it  
180:14 defaulted to the St. Luke's sleep lab, which is  
180:15 not where he does his services. So that's what  
180:16 all this was about is trying to correct that.  
180:17 Q. And Mr. Croft said "all referrals auto  
180:18 default to internal referral type," did he not?  
180:19 And that's Exhibit 325 is his E-mail. I think  
180:20 you're looking at --  
180:21 A. 325? Oh, Exhibit 325.  
180:22 Q. Yes.  
180:23 A. This has been, you know, a -- at that  
180:24 point in time in Epic, they've been working on the  
180:25 ordering process within Epic. And so I don't

181: Page 181

181: 1 know -- at this point in time, that must have been  
181: 2 how it was set up. It was not the -- I know that  
181: 3 there's been a lot of work done on it since, and I  
181: 4 can't speak to that.  
181: 5 Q. Okay.  
181: 6 A. And I don't know exactly what all that  
181: 7 means, to be honest.  
181: 8 Q. So, well, "auto default" as I  
181: 9 understand it means it automatically goes to an  
181:10 internal referral within St. Luke's unless  
181:11 somebody does something affirmative to the  
181:12 contrary; is that right?  
181:13 A. That's what that implies, yeah. And  
181:14 that's why it defaulted to the St. Luke's sleep  
181:15 lab --  
181:16 Q. Right.  
181:17 A. -- where they should have selected  
181:18 because of -- they were trying to refer to a  
181:19 physician that doesn't work at the St. Luke's  
181:20 sleep lab, yeah.  
181:21 Q. Right. And so you don't have any  
181:22 reason to doubt that Mr. Croft was correct in what  
181:23 he said as of September of 2012?  
181:24 A. That's what the E-mail says, yeah.  
181:25 Q. And, I mean, you have no reason to

182: Page 182

182: 1 doubt his conclusion, do you?  
182: 2 A. At that point in time, no, I don't.  
182: 3 Q. If I understand you correctly, you  
182: 4 don't know if anything has changed since that

182: 5 point it time, correct?  
182: 6 A. I know there's been a lot of work done  
182: 7 on this, but I don't know the current status.  
182: 8 You're correct.

**Page Range: 182:10-182:14**

182:10 Let me show you what's been previously  
182:11 marked as Plaintiff's Exhibit 118 (sic). It is an  
182:12 E-mail from Greg Orr to John Kee, cc'ing lots of  
182:13 people, including you, dated December 9, 2011, in  
182:14 response to an E-mail from Mr. Kee. Take a look

**Page Range: 183:1-183:7**

183: 1 Q. And in 4 he says, he refers to  
183: 2 "St. Luke's historical willingness to  
183: 3 preferentially direct patients to St. Luke's  
183: 4 affiliated practices rather than equally among all  
183: 5 on medical staff."  
183: 6 Is that a true statement?  
183: 7 A. I don't think so. I can't comment on

**Page Range: 183:7-183:8**

183: 7 A. I don't think so. I can't comment on  
183: 8 that.

**Page Range: 183:12-183:18**

183:12 Q. Well, I mean, do you understand the  
183:13 statement?  
183:14 A. When he says, "I think this has to do  
183:15 with St. Luke's historical willingness," I don't  
183:16 agree with that, no. I mean, I -- we have not  
183:17 been prescriptive with our physicians about where  
183:18 they refer to, so I'm not sure what he means.

**Page Range: 196:20-198:13**

196:20 Q. BY MR. ETTINGER: Okay. I'm going to  
196:21 show you another one. I've handed you  
196:22 Exhibit 329, which is an E-mail from -- the top

196:23 E-mail is from Chris Roth, but the E-mail right  
196:24 below it is from Peter LaFleur and Chris Roth,  
196:25 cc'ing you and John Kee, attaching the KPMG  
197: Page 197  
197: 1 valuation and as of April 2010 of the Saltzer  
197: 2 group. But then the top E-mail is September of  
197: 3 2012. Do you see that?  
197: 4 A. The E-mail is dated September 12. Is  
197: 5 that what you're referring to? I missed that.  
197: 6 Q. Yeah. And so -- but the attached  
197: 7 valuation is September of 2010; isn't that right?  
197: 8 A. Oh, that's how -- this is April 30th of  
197: 9 2010 is the valuation that I have dated.  
197:10 Q. Yeah.  
197:11 A. Yeah. Okay.  
197:12 Q. And did KPMG originally do a valuation  
197:13 of Saltzer in 2010 and then update it in 2012?  
197:14 A. Yes.  
197:15 Q. Okay. Why don't you turn to page 1 of  
197:16 the valuation. You see -- why don't you read the  
197:17 paragraph that says "Engagement Purpose."  
197:18 A. I have a letter that says "Dear Ed."  
197:19 Q. Oh, I'm sorry. If you go -- it's under  
197:20 the -- there's a letter to Mr. Castledine that  
197:21 says "Dear Ed," and then under that there's the  
197:22 valuation itself. And page 5414 is the first page  
197:23 of the valuation, correct, which is also numbered  
197:24 "1"?  
197:25 A. Okay. Yes. I'm with you.  
198: Page 198  
198: 1 Q. Okay. That's all right. Sorry.  
198: 2 So why don't you read that paragraph that says  
198: 3 "Engagement Purpose."  
198: 4 A. Okay.  
198: 5 Q. So is it correct that this valuation,  
198: 6 like others, is done to -- is supporting evidence  
198: 7 the transaction is based on fair market value to  
198: 8 assist St. Luke's with it's compliance with Stark  
198: 9 and anti-kickback statutes?  
198:10 A. I believe so.  
198:11 Q. Okay. And that's part of why you want  
198:12 it to be as accurate as possible, correct?  
198:13 A. Sure.

**Page Range: 198:14-198:25**

198:14 Q. And then going to the right-hand

198:15 column, the last paragraph, KPMG describes what  
198:16 it did as part of its work to do this valuation.  
198:17 And they talk about relying on documents supplied  
198:18 by the Saltzer practice, a site visit, discussions  
198:19 with management and gathering other information.  
198:20 Do you see that?  
198:21 A. I do see that.  
198:22 Q. And do you have any reason to doubt  
198:23 that they did all of that?  
198:24 A. No. I wasn't involved at the time, but  
198:25 I don't doubt that they did that.

**Page Range: 199:1-199:22**

199: 1 Q. Okay. Why don't you turn to page 14 of  
199: 2 the valuation. Do you see the paragraph there  
199: 3 with the heading "Impact on Saltzer"?  
199: 4 A. Um-hum.  
199: 5 Q. That's a yes?  
199: 6 A. Yes.  
199: 7 Q. Thanks. Could you just read the first  
199: 8 paragraph there and I'll ask you about it. Of  
199: 9 course, you can read whatever else you like, but  
199:10 it's the first paragraph I'm going to ask you  
199:11 about.

**Page Range: 199:12-199:22**

199:12 A. Okay.  
199:13 Q. Do you see the -- I'm only going to ask  
199:14 you about the last two sentences of that  
199:15 paragraph. The first of those last two says,  
199:16 "Saltzer has maintained a dominant market position  
199:17 in Nampa for decades and has built strong name  
199:18 recognition and relationships throughout the  
199:19 area."  
199:20 Do you agree or disagree with that  
199:21 statement?  
199:22 A. I agree.

**Page Range: 199:23-200:6**

199:23 Q. And the next sentence says, "Due to  
199:24 Saltzer's size relative to the other medical  
199:25 practices in the area, it has also developed



200: Page 200

200: 1 leverage with payers and other providers."

200: 2 A. I don't know the answer to that. I

200: 3 don't know if that's true.

200: 4 Q. Okay. You don't know one way or the

200: 5 other?

200: 6 A. I'm not involved with that piece, no.

**Page Range: 214:25-215:7**

214:25 Q. So you said St. Luke's get a lot of

215: Page 215

215: 1 business from Canyon County, and that's why it is

215: 2 a significant -- a significant reason why you

215: 3 wanted to do this deal. So let me ask you it this

215: 4 way. How does this deal help St. Luke's either

215: 5 get more business from Canyon County or keep the

215: 6 business it already has in Canyon County?

215: 7 A. Well, that --

**Page Range: 215:9-216:13**

215: 9 THE WITNESS: Initially -- I mean, we need

215:10 to start back -- Saltzer came to us.

215:11 Q. BY MR. ETTINGER: That's not my

215:12 question.

215:13 A. I understand, but --

215:14 Q. Well, could you answer my question?

215:15 A. But the strategy of -- around this

215:16 is, you know, as any health system, you have to

215:17 look at where your pockets of patient population

215:18 are, and then determine in your strategic planning

215:19 where your best needs are for future facilities,

215:20 where -- where you're meeting the patient needs,

215:21 where you're not, where you've got gaps.

215:22 And our strategy over the last couple

215:23 years has been the need to expand our Meridian

215:24 services. And/or since 20 percent of the volume

215:25 there already comes from Canyon County, maybe not

216: Page 216

216: 1 look at expanding Meridian but actually expanding

216: 2 services into Nampa and Canyon County.

216: 3 So that is part of the background of

216: 4 it. And in order to provide services in Nampa, we

216: 5 need to have physicians that will work with us.

216: 6 And so, yeah, we're very interested in working

216: 7 with Saltzer.  
216: 8 Q. Well, what you're saying is you're  
216: 9 interested in putting a hospital in Nampa and  
216:10 having the primary care base for that hospital be  
216:11 the Saltzer physicians, correct?  
216:12 A. At -- at some point in the future, yes.  
216:13 Since we don't have a hospital now.

**Page Range: 216:14-216:19**

216:14 Q. And, indeed, the plan was to have a  
216:15 hospital there within three years; isn't that  
216:16 right?  
216:17 A. I'm not involved with all of the  
216:18 strategic planning discussions, but the timeline  
216:19 hasn't been set, to my awareness.

**Page Range: 219:15-219:20**

219:15 Q. Okay. Now let's go back to  
219:16 Exhibit 331. So is the -- is a significant  
219:17 purpose of the Saltzer acquisition to provide  
219:18 primary care support for the hospital in Nampa if  
219:19 and when it occurs?  
219:20 A. Yes.

**Page Range: 245:9-246:18**

245: 9 Q. BY MR. ETtinger: Ms. Stright -- no,  
245:10 I'll show you the document and then I'll ask the  
245:11 question.  
245:12 Exhibit 338. Exhibit 338 is a series  
245:13 of E-mails involving you, Kathy Moore, Chris Roth  
245:14 and others in the November 8th, 2012, time period  
245:15 relating to surgeons at Saltzer. Take a look at  
245:16 it and I'll ask you questions?  
245:17 A. Okay. Okay.  
245:18 Q. So first of all, did I correctly  
245:19 describe the document?  
245:20 A. How did you describe it? I really  
245:21 don't remember.  
245:22 Q. E-mails between Kathy Moore, you,  
245:23 Chris Roth and others regarding around the  
245:24 November 8, 2012, time period, regarding referrals  
245:25 to surgeons at Saltzer?

246: Page 246

246: 1 A. Correct. Um-hum.

246: 2 Q. And this is after the existing Saltzer  
246: 3 surgeons had left?

246: 4 A. I believe so. Right around that time  
246: 5 frame.

246: 6 Q. And you set up for people to -- for the  
246: 7 Saltzer doctors to call to get general surgery  
246: 8 referrals to Boise Surgical Group and orthopedic  
246: 9 referrals to Boise Orthopedics and Intermountain  
246:10 Orthopaedics, correct?

246:11 A. That's correct.

246:12 Q. And those are all St. Luke's Clinic  
246:13 physicians?

246:14 A. That's correct.

246:15 Q. And your assumption was that the  
246:16 Saltzer -- and at this point, Saltzer had agreed  
246:17 to be acquired by St. Luke's, correct?

246:18 A. Yes. I believe so.

**Page Range: 246:19-246:23**

246:19 Q. And you expected that Saltzer would be  
246:20 referring to these physicians rather than the  
246:21 ex-surgeons who had left Saltzer, correct?

246:22 A. And I wouldn't say it was an  
246:23 "expectation."

**Page Range: 246:24-247:12**

246:24 Q. Well, then why did you set up these  
246:25 lines if it wasn't an expectation?

Page 247

247: 1 A. Because the remaining physicians at  
247: 2 Saltzer were very upset with their partners who  
247: 3 had left, and they wanted new referral patterns,  
247: 4 new referral options.

247: 5 Q. Who told you that, what you just said?

247: 6 A. I wasn't actually in meetings to -- to  
247: 7 hear that.

247: 8 Q. I see.

247: 9 A. So I was --

247:10 Q. I kind -- I kind of thought that.

247:11 A. Yeah. Yeah.

247:12 Q. But where --

**Page Range: 247:15-247:16**

247:15 Q. BY MR. ETTINGER: But who told you that  
247:16 is my question.

**Page Range: 249:14-249:18**

249:14 Q. My question was do you recall -- do  
249:15 know of a single thing that the surgeons did,  
249:16 other than not wanting to go to work for  
249:17 St. Luke's, that created any -- created hostility?  
249:18 A. I don't recall.